

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

EFFECT OF SALE OF TRANSMISSION)	
FACILITIES UPON WISER OIL)	CASE NO. 8443
COMPANY RATES)	

O R D E R

On January 31, 1981, Wiser Oil Company ("Wiser") sold its wholly-owned subsidiary, Peoples Gas Company, to Delta Natural Gas Company ("Delta"). On January 31, 1982, Wiser also sold Delta 46 miles of pipeline that were previously a part of the Peoples Gas system. However, Wiser retained approximately 300 miles of gathering and transmission lines for transporting the gas it produced from its wells to the point at which Delta takes the gas under contract with Wiser.

The issue raised by these facts is whether Wiser is still subject to this Commission's jurisdiction in view of Wiser's sale of all of its distribution facilities to Delta. A public hearing was held in this matter on May 4, 1982, at the Commission's offices in Frankfort, Kentucky. Wiser, Delta and the Attorney General's Consumer Protection Division were represented at this hearing.

At the hearing Wiser stated that it received no compensation from Delta for delivering the gas from Wiser's wells to Delta

and, accordingly, Wiser received no "compensation" such as to make its facilities jurisdictional under the provisions set forth in KRS 278.010(4)(b). However, during the hearing, Wiser admitted that it recovered all of its costs of transmitting the gas to Delta through the NGPA-approved rate it charges Delta. 1/

Based upon the above-stated facts as adduced from the record of this proceeding, the Commission hereby finds that:

Wiser Oil Company receives indirect compensation for transporting its gas to Delta through the NGPA pricing structure by which Delta pays Wiser for the gas. Such indirect compensation is sufficient to subject Wiser Oil Company to the Commission's jurisdiction pursuant to the terms of KRS 278.010(4)(b).

Based upon this finding, the Commission HEREBY ORDERS that Wiser Oil Company is subject to this Commission's jurisdiction as a gas utility pursuant to the provisions of KRS 278.010(4)(b). Due to the limited nature of Wiser's operations as a natural gas utility, the extent of this Commission's jurisdiction over Wiser's facilities will be to insure that the company (a) files its annual report as required by KRS 278.046, and (b) pays its annual assessment as required by KRS 278.150(1). The PSC will also have jurisdiction over the enforcement of all safety standards pursuant to the provisions of Administrative Order No. 246.

1/ Transcript, p. 35, May 4, 1982.

The Commission FURTHER ORDERS that the information requested from Wiser in our Order of January 14, 1982, shall be submitted within ten (10) days from the date of this Order.

Done at Frankfort, Kentucky this 9th day of August, 1982.

PUBLIC SERVICE COMMISSION

Marlin M. Work
Chairman

Katherine Landall
Vice Chairman

Lee Carrigan
Commissioner

ATTEST:

Secretary